



OFFICE OF THE DISTRICT ATTORNEY
Milwaukee County

JOHN T. CHISHOLM • District Attorney

Chief Deputy Kent L. Lovern, Deputies James J. Martin, Patrick J. Kenney, Lovell Johnson, Jr., Jeffrey J. Altenburg

March 18, 2011

VIA U.S. MAIL & ELECTRONIC MAIL

Attorney Dean A. Strang
Hurley, Burish & Stanton S.C.
33 East Main Street, Ste. 400
P.O. Box 1528
Madison, WI 53701-1528

Re: State of Wisconsin vs. William Gardner

Dear Mr. Strang:

Please accept this correspondence as the State's Offer of Settlement. As I have advised you, I act under the terms of an appointment as a Special Prosecutor on behalf of Washington County.

Mr. Gardner is the subject of a John Doe investigation and the scope of this investigation includes within it Mr. Gardner's contributions to political candidates generally and to the Friends of Scott Walker specifically. As it relates to Mr. Gardner, the John Doe investigation has focused on the laundering of campaign contributions in violation of Wisconsin Statutes §§11.24(1) and 11.61(1)(a) and gubernatorial campaign contributions in excess of the \$10,000 limit in violation of Wisconsin Statutes §§11.26(1) and 11.61(1)(b). Each of these crimes is a Class I felony punishable by a term of imprisonment of forty-two (42) months, comprised of eighteen (18) months Initial Confinement and twenty-four (24) months Extended Supervision.

Mr. Gardner has expressed an interest in bringing this matter to an efficient close. To this end, we have met to discuss the possibility of a negotiated issuance of criminal charges followed upon by a guilty plea and sentencing proceeding. Our pre-charging settlement discussion has been specifically authorized by the terms of the John Doe judge's Thirteenth Addendum to the Secrecy Order entered in that proceeding.

In exchange for Mr. Gardner's plea to one count each of the charges of Campaign Money Laundering in violation of Wisconsin Statutes §§11.24(1) and 11.61(1)(a) and Exceeding Campaign Contribution Limits in violation of Wisconsin Statutes §§11.26(1) and 11.61(1)(b), the State will recommend that Mr. Gardner be sentenced to concurrent terms of thirty months imprisonment (fifteen (15) months Initial Confinement plus fifteen (15) months Extended Supervision) on each count. I will further recommend that this sentence be stayed and that Mr. Gardner be placed on a twenty-four (24) month term of probation. I will recommend to the court that this be a period of straight probation without confinement conditions. I find that this recommendation is justified on the basis of Mr. Gardner's conduct since the commencement of the Government Accountability Board investigation, including his acceptance of responsibility for these criminal law violations at the beginning of this investigation, the donation of the illegal contribution money to charity after these funds were returned by various political committees,

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APR 11 2011

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WASHINGTON CO., WI 53095

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Mark S. Williams
John H. Steiber
Thomas L. Peltier
David Felts
Rayann Chandler
Seychinski
Candice Manchester
Kenneth R. Berg
Warren D. Zier
Timothy J. Cotter
Carol Berry Crowley
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Brad Vorpahl
Paul Tiffin
Mikem S. Falk
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Bruce J. Langstaff
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Kathryn K. Sauer
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Sara P. Scullen
T. Christopher Doe
Jacob D. Ceir
Joy Hammond
Katharine F. Kucharski
Elizabeth Mueller
Grant L. Huebner
Stephen Edward Hellen
Michele Ackerman Hayes
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Aaron E. Hall
Jenni Spies
David M. Stegall
Amanda Kilmarsick
Benjamin Wesson
Kenna Hentz
Kait P. Hayes
Jessica Zolney
Ho'ly L. Bunch
Jacob A. Hanjan
Heather M. Prazek
Megan M. Williamson
Dervey B. Martin
Sarah Eberle
Christopher J. Ladd
Kimberly D. Skowron
Nicole J. Sheldon
Dax C. Odum
Maureen A. Atwell
Christopher W. Reusthorpe
Rachel C. Sattler
Jennifer L. Hanson
Patricia L. Dougherty
Harissa L. Santiago
Stephen C. Lindberg
Jon Nicol'eli
Ann M. Romero
Brian Sammons
Peter M. Tempels
Matthew G. Puthukalam
Jeremiah C. Van Hecke
Edward L. Wright
Randi-Schaeffer
Keryn E. Behling
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Kristin M. Schrank
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Jane Christopherson
Tyrona M. St. Junier
Hanna R. Kniberg
Joshua H. Mathy
Joan G. King

and the filing of amended tax returns adjusted by contribution amounts which were previously claimed as corporate expenses and offsets to corporate income. The State will be otherwise free to argue for terms and conditions of the disposition except it will not request any monetary fine.

In connection with this disposition, I will ask Mr. Gardner to provide satisfactory proof in the form of an Affidavit setting forth the fact that he has made the charitable donations and filed the amended tax returns as described in the previous paragraph.

This agreement is intended as a full and final settlement of all criminal charges that will be brought and that could be brought by the State of Wisconsin against Mr. Gardner as a result of the information contained in the criminal complaint. The information contained in the attached Exhibit A, together with details regarding a 2006 reimbursed campaign contribution of Ms. Suzanne Inmel to the Friends of Scott Walker, will be included in any criminal complaint filed against Mr. Gardner. Upon Mr. Gardner's plea of guilty to the charged crimes, the State of Wisconsin will institute no further criminal proceedings against him. Except as to proceedings instituted by the Government Accountability Board, the State of Wisconsin will initiate no further civil forfeiture proceedings against Mr. Gardner. Mr. Gardner understands and agrees that, in exchange for these promises, the court will be free to consider the totality of the violations alleged in the complaint and that the court may consider such violations, including uncharged violations, in sentencing him.

Mr. Gardner has expressed his wish that criminal responsibility for these illegal campaign contributions fall exclusively to him. Having taken the statements of the railroad employees involved in laundered contributions during the course of the John Doe investigation, and in light of all of the evidence gathered, I agree that responsibility lies with Mr. Gardner and criminal proceedings are not appropriate for the employees. Mindful that the Government Accountability Board will institute proceedings involving the railroad employees, the State of Wisconsin will not commence criminal proceedings against any employee named in the criminal complaint. To this end, prior to the initiation of criminal proceedings, I will obtain a commitment to this effect from other state prosecutors who have jurisdiction over those employees residing outside of Milwaukee and Washington Counties.

Mr. Gardner is, for all practical purposes, the sole shareholder of the Wisconsin & Southern Railroad Co. The corporation is headquartered in Milwaukee, Wisconsin. Recognizing that the Government Accountability Board will institute proceedings involving the corporation, the Milwaukee County District Attorney's Office, as the office with the sole responsibility for the prosecution of the corporation under Chapter 11 of the Wisconsin Statutes, will not commence criminal or civil forfeiture proceedings against the corporation.

Mr. Gardner represents that he is a full-time resident of Washington County. Washington County is therefore the proper venue for the litigation of violations of Wisconsin Statutes §§ 11.24(1) and 11.26(1), as required by Wisconsin Statutes § 971.19(12).

As part of this overall settlement agreement, Mr. Gardner agrees to cooperate in a booking procedure. I will make reasonable efforts to accommodate a booking procedure in Washington County.

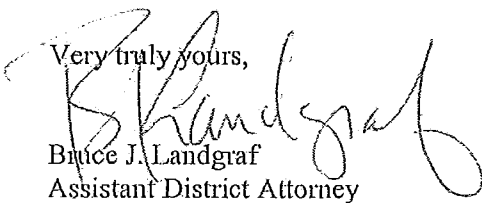
In addition, this offer is based upon the following terms and conditions:

1. Mr. Gardner agrees to appear at all court proceedings in connection with any criminal prosecution commenced in connection with this agreement.

2. Mr. Gardner agrees he will abide by all conditions of his bail ordered in connection with any criminal prosecution commenced in connection with this agreement.
3. Mr. Gardner agrees that he has not been and will not become involved in any further criminal conduct. For purposes of this paragraph, "criminal conduct" is defined as any activity in contravention of a criminal statute that rises to the level of probable cause supporting the issuance of a criminal complaint. It is immaterial whether or not criminal charges are actually filed.
4. Mr. Gardner represents that he has no criminal record. This offer is made in reliance upon this representation. The State's obligation to make the recommendations contained in this settlement offer is conditioned upon the accuracy of this representation.
5. The State and Mr. Gardner agree that restitution is not due and owing for this crime. Noted above, Mr. Gardner will provide acceptable proof of the fact that monies returned to him as illegal campaign contributions have been donated to charity.
6. Acceptance of this Settlement Offer is accomplished by virtue of the entry of guilty pleas to the crimes charged. Mr. Gardner must plead guilty promptly before the trial court on a date no later than ninety days after the filing of the criminal complaint.
7. In the event that there is a breach of this agreement by Mr. Gardner under paragraphs 1, 2 or 3 above, which breach occurs after he has entered a plea of guilty but before sentencing, the State of Wisconsin shall be relieved of its obligations to make the recommendations set forth in this letter and will be free to argue for any disposition that it sees fit.

If you have questions about this offer, kindly contact me at 278-2178. Thank you for your attention to this matter.

Very truly yours,


Bruce J. Landgraf
Assistant District Attorney

BJL/bl

Supplement to William Gardner's Self-Reporting Information to GAB

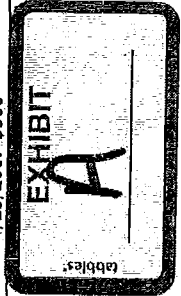
5/28/2010

CONTRIBUTIONS REIMBURSED BY WSOR						
Contributor	Reimb. Date	Recipient	Contribution Date	Amount	Notes	Returned by Campaign
Lucht, Ken	5/30/2005	Friends of Alberta Darling	5/9/2003	\$500		No
Gardner, William	4/4/2005	Ted Kanavas for Senate	3/7/2005	\$500		No
Lucht, Ken	6/22/2005	Friends of Scott Walker	6/11/2005	\$1,000	\$500 returned by Walker in 2005	\$500 - Oct. 2005
Gardner, William	7/14/2005	Friends of Scott Walker	6/10/2005	\$5,000	Returned by Walker in 2005	Yes - Oct. 2005
Gardner, William	8/31/2005	Doyle for Wisconsin	8/30/2005	\$5,000		No
Gardner, William	11/23/2009	ADCC	11/19/2009	\$2,000	Orig. contribution rewritten for \$3,500	Donated by ADCC
Gardner, William	11/23/2009	Friends of Mike Sheridan	11/19/2009	\$2,000	Orig. contribution rewritten for \$500	?
Gardner, William	12/16/2009	Friends of Scott Walker	11/19/2009	\$5,000		Yes - May 2010
Gardner, William		Friends of Scott Walker	12/14/2009	\$5,000		Yes - May 2010
	12/16/2009	Friends of Scott Walker	12/14/2009	\$10,000	WSOR reimb to Gardner; Long stopped payment on check and returned funds to Gardner	n/a
Beske, Steve	12/16/2009	Friends of Scott Walker	12/14/2009	\$5,000		Yes - May 2010
Lombard, James	12/16/2009	Friends of Scott Walker	12/15/2009	\$5,000		Yes - May 2010
Meighan, Bernard	2/1/2010	Friends of Scott Walker	2/3/2010	\$5,000		Yes - May 2010
Thomas, Dale	3/15/10 (est.)	Friends of Scott Walker	3/8/2010	\$4,900		Yes - May 2010
Hackbarth, David	4/22/2010	Friends of Scott Walker	3/22/2010	\$4,900		Yes - May 2010
				\$60,800		

CONTRIBUTIONS REIMBURSED BY WILLIAM GARDNER						
Contributor	Reimb. Date	Recipient	Contribution Date	Amount	Notes	Returned by Campaign
Schladweiler, Stephanie	11/17/2005	Friends of Scott Walker	11/17/2005	\$5,000		\$5,000 returned May 2010;
Schladweiler, Stephanie	1/23/2006	Friends of Scott Walker	1/23/2006	\$5,000	Stephanie is Bill Gardner's daughter	unknown which contrib.
Lombard, Jim	2/28/2006	Friends of Scott Walker	2/28/2006	\$1,000		No
Meighan, Bernard	2/28/2006	Friends of Scott Walker	2/28/2006	\$1,000		No
				\$12,000		

WSOR REIMBURSEMENTS FOR WHICH NO CONTRIBUTION ULTIMATELY MADE						
Contributor	Reimb. Date	Intended Recipient	Contribution Date	Amount	Notes	Returned by Campaign
Lucht, Ken	8/7/2006	Unknown	n/a	\$1,000	Unclear what this relates to	n/a
Lucht, Ken	2/3/2010	Friends of Scott Walker	n/a	\$5,000	Contribution never sent	n/a
				\$6,000		

CONTRIBUTIONS BY WILLIAM GARDNER FOR WHICH NO REIMBURSEMENT MADE						
Contributor	Reimb. Date	Recipient	Contribution Date	Amount	Notes	Returned by Campaign
Gardner, William	n/a	Friends of Alberta Darling	5/15/2003	\$500		n/a
Gardner, William	n/a	Friends of Alberta Darling	4/23/2007	\$500		n/a



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